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An explanation of the CPI

The consumer price index (CPI) is the most commonly used yardstick for measuring the rate of inflation. The CPI is used when determining pay increases, price changes, and when drafting long term rental or lease agreements. Government uses the CPI for adjusting social security and other "entitlement" payments. Government also uses the CPI to determine food stamp eligibility and for raising personal tax exemptions.

As you can see by the above examples, the CPI is a very strong measurement tool and can impact some aspects of our lives dramatically. Therefore, in this article we will be taking a closer look at the CPI and how it works. In addition, we will also be looking at CPI data and what it is telling us.

The CPI is a national survey that measures the average change in prices over time in a "fixed market basket" of goods and service. The term "fixed market basket" means that exactly the same brand and size of items or same types of services are surveyed in order to determine price change.

What's included in the CPI

The CPI is designed to be representative of goods and services purchased by American families for day-to-day living. These goods and services include both necessities and luxuries. Among the items are food, apparel and its upkeep, housing, medical care, transportation, and entertainment. The sample excludes personal life insurance, income and personal taxes, but includes real estate taxes and sales and excise taxes. Investment items, such as stocks and bonds, are excluded. Since the CPI is based on expenditures, it does not reflect non-cash consumption, such as food grown at home, fringe benefits received as part of a job, services supplied by government agencies without payment of a special tax fee, and so on.

Prices for the CPI are collected by the Bureau of Labor Statistics. These prices are collected in 85 urban areas across the country from about 57,000 housing units and approximately 19,000 business establishments (department stores, super markets, hospitals, filling stations and other types of stores and services establishments). All taxes directly associated with the purchase and use of items included are also represented in the index. Prices on food, fuel, and a few other items are obtained every month in all 85 locations. Prices of most other commodities and services are collected every month in the five largest of the 85 geographic areas and every other month in the other areas. Prices of most goods and services are obtained by personal visits and research by Bureau of Labor Statistics' trained representatives.

Price changes for each item are "weighted" based on importance in typical household spending. Thus, housing makes up 41 percent of the CPI (including everything such as heating, cooling, upkeep, insurance, furnishing); food and beverages, 18 percent; transportation, 18 percent; healthcare, 6 percent; clothing and upkeep, 6 percent; entertainment, 4 percent; and other products and services, 6 percent.

The CPI may not mirror your own spending because nobody is average. For example, your housing costs won't add up to 41 percent of total expenditures if your home is already paid for and you don't spend much on new furnishings. Young people tend to spend more on entertainment and older people more on health care.

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The index measures the price change from a designated reference date (1982-1984) which equals 100.0. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from $100 in 1982-1984 to $137 in 1990 (or 37 percent). Let's see how this works using the table below. To use the table, start with the later year (for example 1990) in the left-hand column. Then move across the row to the intersecting column of the earlier year (for example 1982). The intersection number (in this case 1.37) is the "CPI inflation factor."

The CPI tells us what changes are taking place in the purchasing power of the dollars we spend. The index tells us the changes over time of the cost of the same market basket of goods and services an average family buys. The CPI does not attempt to report changes in the style of living. It simply measures the changes in prices for a scientifically-selected market basket based on the average experience of the population.

How to measure the purchasing power of the dollars we spend

One way the CPI can be used is to find out what one year's income is worth compared to an earlier year's. You can do this by using your own income; however, for the purpose of this article, we will use per capita income. Per capita income in South Dakota was $9,489 in 1982 and $13,685 in 1989. The CPI inflation factor was 1.29 over that time period. First divide 1989 dollars by the factor to express the 1989 income in 1982 dollars ($13,685 / 1.29 = $10,609). Then subtract 1982 income from the result ($10,609 - $9,489 = $1,120). Buying power of the South Dakota per capita income increased about $1,120 in constant 1982 (inflation-adjusted) dollars.

We can also use the table below to find out what one year's dollars are worth compared to a later year's by multiplying the dollar amount by the factor. Let's say you bought a high school ring for your daughter that cost $130 in 1982. In 1990, a comparable ring would have cost about $178 (130 x 1.37 = 178.10).

Another use of the consumer price index is to determine the current rate of inflation. The South Dakota Department of Labor receives this information from the Bureau of Labor Statistics and publishes it in the South Dakota Labor Bulletin each month. The January rate of inflation can be found on the back cover of this publication.

Consumer Price Index Comparisons

	1982	1983	1984	1985	1986	1987	1988	1989	1990
1982	1.00								
1983	1.04	1.00							
1984	1.08	1.04	1.00						
1985	1.12	1.08	1.04	1.00					
1986	1.13	1.09	1.05	1.01	1.00				
1987	1.18	1.14	1.10	1.06	1.04	1.00			
1988	1.23	1.19	1.14	1.10	1.09	1.04	1.00		
1989	1.29	1.24	1.20	1.15	1.14	1.09	1.05	1.00	
1990	1.37	1.32	1.27	1.22	1.21	1.16	1.11	1.06	1.00

The values used in this table are based on December values for each year represented.

Remember it's only a measuring tool...

As we have stated, above the consumer price index is a measuring tool; however, in real life many items may cost more or less than average inflationary rates. For example, let's say that for one month in 1982 rural electricity cost 4.19 cents per kilowatt hour from one rural cooperative, and in that same month in 1990 it cost 5.59 cents per kilowatt from that same cooperative. Then, from 1982 to 1990 the cost of electricity would have increased 33 percent. Therefore, the cost of electricity is actually slightly lower than the average inflationary rate of 37 percent over the same time period.

In contrast, in 1982 a pack of cigarettes from a cigarette machine cost 85 cents. However, in 1990 the same brand of cigarettes from a machine cost $1.75. This is a 106 percent increase from 1982 to 1990. As you can see, this is far greater than the average increase of 37 percent during this same time period.

South Dakota's Labor Market in January

In January 1991, nonfarm wage and salaried employment in South Dakota continued to expand from year-earlier levels, posting a job increase of 9,500 (or 3.4 percent) from January 1990 levels. Job increases from year-ago levels occurred in almost all private industry groups and government. The exception was the mining industry, which remained stable.

The retail trade industry led the groups with an increase of 3,700 jobs from January 1990. The divisions in this industry posting the largest growth were: eating and drinking establishments (1,800 jobs); general merchandise stores (500 jobs); food stores (200 jobs); and automotive dealers/gas stations (300 jobs).

The services industry added 2,500 jobs from year-ago employment levels. The two divisions leading job growth in this industry were medical and health and hotels, motels, and amusements.

Government noted job increases of 1,000 from January 1990. This job growth was noted in the divisions of federal government (300 jobs) and local government (700 jobs).

The construction industry is hanging tough during cold weather and noted job growth of 900 jobs from year-ago employment levels. The three divisions of construction had growth as follows: building (400 jobs); highway and street (200 jobs); and special trade contractors (400 jobs).

The wholesale trade industry added 500 jobs, which was distributed between durable goods (200 jobs); and nondurable goods (300 jobs).

The manufacturing industry noted job growth of 400 jobs from year-ago employment levels. The food and kindred products division captured most of this growth with the addition of 300 jobs.

Month-to-Month Employment Changes

Although South Dakota's nonfarm employment noted healthy increases over the year, decreases were noted over the month. Nonfarm employment decreased 6,300 (or 2.2 percent) over the month. The majority of this decrease in employment revolved around the holiday season. Seven of the eight private industry groups had employment decreases. Government also showed decreased employment in January.

The retail trade industry posted the largest decrease from December to January with the loss of 2,300 jobs. Businesses in this industry returned to normal employment levels after the holiday season during which they hired additional workers. Some examples of these businesses are general merchandise stores, apparel and accessory stores, food stores, eating and drinking establishments, and miscellaneous retail stores.

Government posted an 1,200 job decrease over the month. Six hundred of this decrease was in state education, which traditionally decreases this time of year because of holiday vacations for work study students and educators.

Services posted a 800 job decrease over the month. Educational services, following the same holiday trend as state education, showed a 500 job decrease. The remaining decreases were distributed among hotels, amusement and recreation and also business and legal services.

The construction industry posted an 800 job decrease over the month. The building construction division lost 200 jobs; highway and street, 500 jobs; and special trade contractors, 100 jobs. A review of the historical December-to-January decrease in the construction industry reveals that this 800 decrease is only half the average employment decrease occurring during this period for the last 30 years.

The durable goods division of the manufacturing industry experienced a 600 job decrease from December to January. The sectors impacted the most were electronic equipment; lumber, wood and furniture and miscellaneous durable goods manufacturing businesses.

South Dakota's unemployment rate rose to 4.0 percent in January 1991. This is an increase of 0.8 percent from the December 1990 rate of 3.2 percent. It is, however, a decrease from the January 1990 rate of 4.4 percent. The South Dakota labor force in January 1991 was 349,900 with 335,900 South Dakotans employed and 14,000 unemployed.

Persons in the Labor Force: Employed/Unemployed

	January 1991 (1)				January 1990			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
United States	123,585,000	114,990,000	8,595,000	7.0	123,293,000	116,037,000	7,256,000	5.9
South Dakota	349,900	335,900	14,000	4.0	351,300	335,900	15,400	4.4
Sioux Falls MSA	74,974	72,489	2,485	3.3	75,201	72,629	2,572	3.4
Rapid City MSA	39,081	37,363	1,718	4.4	39,222	37,379	1,843	4.7
Aurora	1,390	1,374	16	1.2	1,377	1,350	27	2.0
Beadle	8,865	8,531	334	3.8	8,686	8,423	263	3.0
Bennett	1,441	1,408	33	2.3	1,553	1,493	60	3.9
Bon Homme	3,363	3,279	84	2.5	3,342	3,281	61	1.8
Brookings	14,533	13,864	669	4.6	14,495	13,804	691	4.8
Brown	19,503	18,698	805	4.1	19,868	18,669	1,199	6.0
Brule	2,729	2,608	121	4.4	2,647	2,578	69	2.6
Buffalo	395	369	26	6.6	389	369	20	5.1
Butte	3,448	3,302	146	4.2	3,410	3,242	168	4.9
Campbell	1,052	996	56	5.3	1,029	989	40	3.9
Charles Mix	3,609	3,491	118	3.3	3,576	3,419	157	4.4
Clark	1,756	1,681	75	4.3	1,789	1,693	96	5.4
Clay	7,140	6,857	283	4.0	7,254	6,904	350	4.8
Codington	12,242	11,704	538	4.4	12,107	11,508	599	4.9
Corson	1,503	1,318	185	12.3	1,413	1,298	115	8.1
Custer	3,332	3,170	162	4.9	3,194	3,075	119	3.7
Davison	8,986	8,684	302	3.4	9,209	8,874	335	3.6
Day	3,097	2,903	194	6.3	3,226	3,040	186	5.8
Deuel	2,139	2,039	100	4.7	2,183	2,050	133	6.1
Dewey	1,863	1,703	160	8.6	1,989	1,773	216	10.9
Douglas	1,554	1,468	86	5.5	1,567	1,524	43	2.7
Edmunds	1,860	1,790	70	3.8	1,940	1,839	101	5.2
Fall River	3,072	2,918	154	5.0	3,281	3,093	188	5.7
Faulk	1,101	1,068	33	3.0	1,116	1,103	13	1.2
Grant	3,921	3,739	182	4.6	4,034	3,843	191	4.7
Gregory	2,169	2,121	48	2.2	2,247	2,146	101	4.5
Haakon	1,168	1,128	40	3.4	1,157	1,125	32	2.8
Hamlin	2,355	2,251	104	4.4	2,272	2,167	105	4.6
Hand	1,730	1,677	53	3.1	1,864	1,790	74	4.0
Hanson	1,343	1,273	70	5.2	1,374	1,302	72	5.2
Harding	758	738	20	2.6	739	712	27	3.7
Hughes	8,250	8,035	215	2.6	8,250	7,974	276	3.3
Hutchinson	3,878	3,668	210	5.4	4,045	3,890	155	3.8
Hyde	791	752	39	4.9	844	804	40	4.7
Jackson	1,479	1,418	61	4.1	1,499	1,432	67	4.5

Persons in the Labor Force: Employed/Unemployed

	January 1991 (1)				January 1990			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
Jerauld	1,115	1,079	36	3.2	1,161	1,103	58	5.0
Jones	573	525	48	8.4	591	535	56	9.5
Kingsbury	2,462	2,387	75	3.0	2,570	2,469	101	3.9
Lake	4,867	4,621	246	5.1	5,068	4,754	314	6.2
Lawrence	13,019	12,381	638	4.9	11,635	11,054	581	5.0
Lincoln	7,092	6,820	272	3.8	7,183	6,902	281	3.9
Lyman	1,301	1,243	58	4.5	1,387	1,320	67	4.8
McCook	2,651	2,548	103	3.9	2,830	2,686	144	5.1
McPherson	1,377	1,321	56	4.1	1,444	1,365	79	5.5
Marshall	2,071	1,973	98	4.7	2,201	2,060	141	6.4
Meade	9,533	9,158	375	3.9	9,064	8,624	440	4.9
Mellette	784	730	54	6.9	786	728	58	7.4
Miner	1,464	1,424	40	2.7	1,597	1,532	65	4.1
Minnehaha	74,974	72,489	2,485	3.3	75,189	72,629	2,560	3.4
Moody	2,922	2,821	101	3.5	3,200	3,021	179	5.6
Pennington	39,081	37,363	1,718	4.4	39,213	37,379	1,834	4.7
Perkins	2,128	2,049	79	3.7	2,252	2,192	60	2.7
Potter	1,331	1,273	58	4.4	1,369	1,335	34	2.5
Roberts	4,381	4,142	239	5.5	4,431	4,128	303	6.8
Sanborn	1,052	1,013	39	3.7	1,026	999	27	2.6
Shannon	2,255	2,126	129	5.7	2,277	2,109	168	7.4
Spink	3,474	3,356	118	3.4	3,452	3,329	123	3.6
Stanley	1,248	1,184	64	5.1	1,392	1,305	87	6.3
Sully	686	667	19	2.8	739	714	25	3.4
Todd	2,467	2,319	148	6.0	2,678	2,456	222	8.3
Tripp	3,064	2,957	107	3.5	3,191	3,045	146	4.6
Turner	4,049	3,887	162	4.0	4,039	3,875	164	4.1
Union	6,172	5,886	286	4.6	5,788	5,481	307	5.3
Walworth	2,766	2,654	112	4.0	2,819	2,696	123	4.4
Yankton	10,595	10,352	243	2.3	10,645	10,391	254	2.4
Ziebach	1,136	1,085	51	4.5	1,151	1,088	63	5.5

(1) Preliminary data subject to revision.
(2) Labor force estimates include employed and unemployed civilians 16 years old and older by place of residence.
(3) The seasonally-adjusted rates which were announced by the national government were 6.2 and 5.3. The data in this table are not seasonally-adjusted.

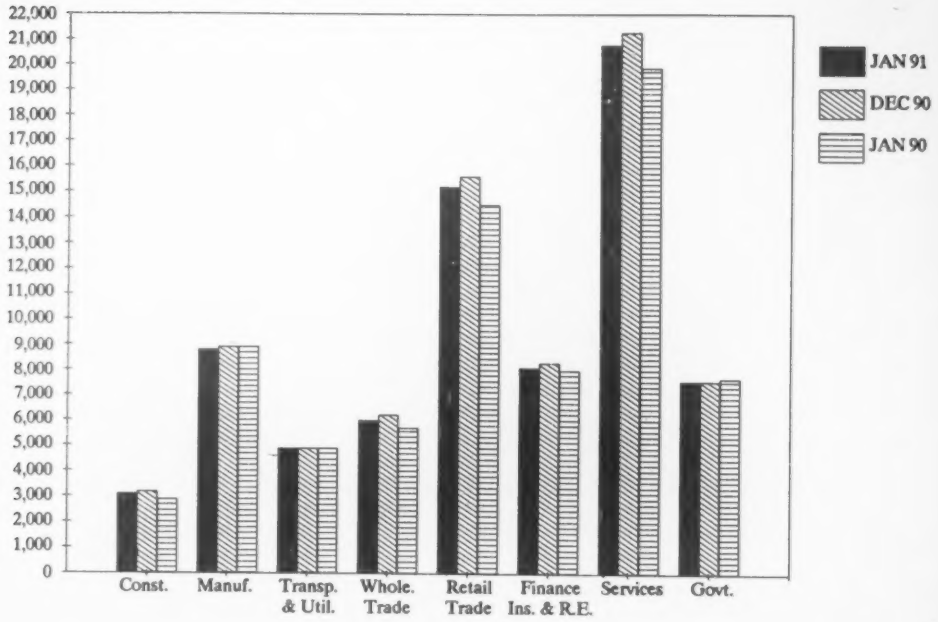
SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

South Dakota Nonfarm Wage & Salary Employment (Jobs by Industry)

	Jan. 1991	Dec. 1990	Jan. 1990	Percent Change From Last Month	Percent Change From Last Year
TOTAL	285,300	291,600	275,800	-2.2	3.4
TOTAL PRIVATE	221,900	227,000	213,400	-2.2	4.0
GOODS PRODUCING	45,900	47,300	44,600	-3.0	2.9
MINING	2,500	2,500	2,500	.0	.0
CONSTRUCTION	10,000	10,800	9,100	-7.4	9.9
MANUFACTURING	33,400	34,000	33,000	-1.8	1.2
Durable Goods	18,800	19,400	19,000	-3.1	-1.1
Fabricated Metals & Machinery	10,900	11,200	11,300	-2.7	-3.5
Nondurable Goods	14,600	14,600	14,000	.0	4.3
Food & Kindred Products	7,600	7,600	7,300	.0	4.1
Printing & Publishing	3,200	3,200	3,100	.0	3.2
SERVICE PRODUCING	239,400	244,300	231,200	-2.0	3.5
TRANSPORTATION & PUBLIC UTILITIES	13,500	13,800	13,200	-2.2	2.3
Transportation	8,200	8,500	7,600	-3.5	7.9
Communication	3,000	3,100	3,200	-3.2	-6.3
Electric/Gas/Sanitary Services	2,300	2,300	2,300	.0	.0
TRADE	75,600	78,100	71,400	-3.2	5.9
Wholesale Trade	18,700	18,900	18,200	-1.1	2.7
Durable Goods	8,500	8,800	8,300	-3.4	2.4
Nondurable Goods	10,200	10,100	9,900	1.0	3.0
Retail Trade	56,900	59,200	53,200	-3.9	7.0
Eating and Drinking Establishments	20,200	21,000	18,400	-3.8	9.8
General Merchandise/Apparel	10,600	11,400	10,000	-7.0	6.0
Food Stores	8,300	8,700	8,100	-4.6	2.5
FINANCE, INSURANCE & REAL ESTATE	16,300	16,400	16,100	-.6	1.2
Finance	10,600	10,700	10,700	-.9	-.9
Depository Institutions	5,600	5,700	5,700	-1.8	-1.8
Nondepository Institutions	4,300	4,300	4,300	.0	.0
Insurance Carriers, Agents & Brokers	3,900	3,900	3,800	.0	2.6
SERVICES	70,600	71,400	68,100	-1.1	3.7
Hotels/Motels & Amusements	8,100	8,700	7,300	-6.9	11.0
Personal and Business	8,200	8,200	8,400	.0	-2.4
Medical and Health Services	27,600	27,400	26,600	.7	3.8
Hospitals	13,000	12,800	12,300	1.6	5.7
Health Services, other than Hospitals	14,600	14,600	14,300	.0	2.1
Educational Services	5,100	5,600	5,100	-8.9	.0
Social Services	5,600	5,500	5,400	1.8	3.7
Membership Organizations	8,600	8,600	8,400	.0	2.4
GOVERNMENT	63,400	64,600	62,400	-1.9	1.6
Federal	11,500	11,600	11,200	-.9	2.7
State	16,900	17,400	16,900	-2.9	.0
State Education	8,200	8,800	8,000	-6.8	2.5
Local	35,000	35,600	34,300	-1.7	2.0
Local Education	20,400	20,800	20,100	-1.9	1.5

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

Sioux Falls MSA Nonfarm Wage and Salary Employment (Jobs by Industry)

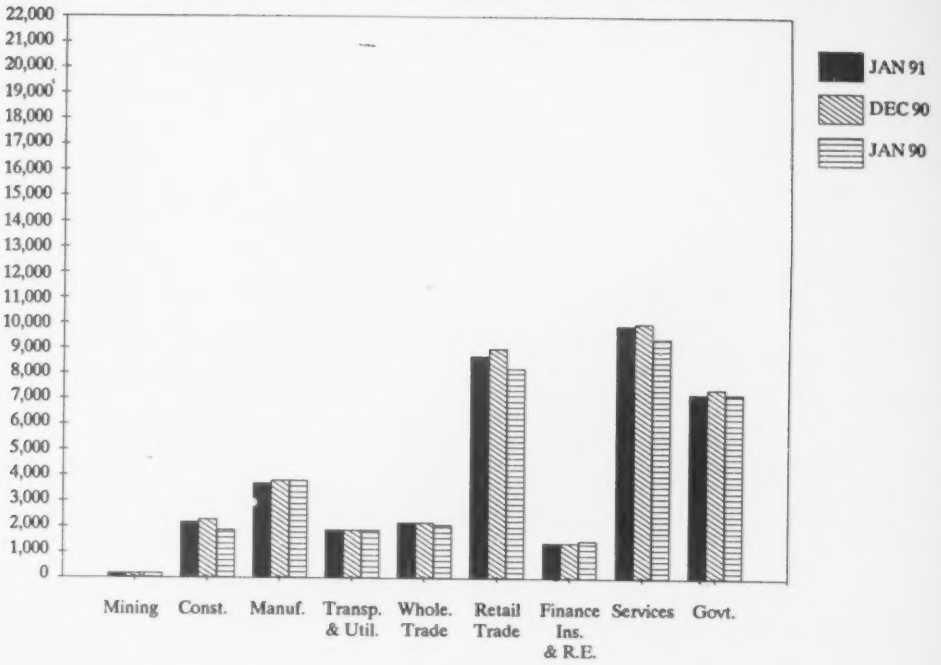


	Jan. 1991	Dec. 1990	Jan. 1990	Percent Change From Last Month	Percent Change From Last Year
TOTAL	74,600	76,100	72,600	-2.0	2.8
GOODS PRODUCING	12,000	12,200	11,900	-1.6	.8
*MINING					
CONSTRUCTION	3,100	3,200	2,900	-3.1	6.9
MANUFACTURING	8,800	8,900	8,900	-1.1	-1.1
SERVICE PRODUCING	62,600	63,900	60,700	-2.0	3.1
TRANSPORTATION & PUBLIC UTILITIES	4,900	4,900	4,900	.0	.0
TRADE	21,200	21,800	20,200	-2.8	5.0
Wholesale	6,000	6,200	5,700	-3.2	5.3
Retail	15,200	15,600	14,500	-2.6	4.8
FINANCE, INSURANCE & REAL ESTATE	8,100	8,300	8,000	-2.4	1.3
SERVICES	20,800	21,300	19,900	-2.3	4.5
GOVERNMENT	7,600	7,600	7,700	.0	-1.3

*Mining employment not published, employment less than 100.

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

Rapid City MSA Nonfarm Wage and Salary Employment (Jobs by Industry)



	Jan. 1991	Dec. 1990	Jan. 1990	Percent Change From Last Month	Percent Change From Last Year
TOTAL	37,400	38,200	36,200	-2.1	3.3
GOODS PRODUCING	6,100	6,300	5,900	-3.2	3.4
MINING	200	200	200	.0	.0
CONSTRUCTION	2,200	2,300	1,900	-4.3	15.8
MANUFACTURING	3,700	3,800	3,800	-2.6	-2.6
SERVICE PRODUCING	31,300	31,900	30,300	-1.9	3.3
TRANSPORTATION & PUBLIC UTILITIES	1,900	1,900	1,900	.0	.0
TRADE	10,900	11,200	10,300	-2.7	5.8
Wholesale	2,200	2,200	2,100	.0	4.8
Retail	8,700	9,000	8,200	-3.3	6.1
FINANCE, INSURANCE & REAL ESTATE	1,400	1,400	1,500	.0	-6.7
SERVICES	9,900	10,000	9,400	-1.0	5.3
GOVERNMENT	7,200	7,400	7,200	-2.7	.0

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

NOTE: The figures on pages 6, 7 and 8 include almost all nonfarm wage earners (full and part-time) but exclude the self-employed. They are derived from a monthly sample survey of South Dakota non-agricultural establishments and include workers on the payroll for the week including the 12th of the month. These tables compare the current month's employment totals of the major industry groups to the totals of the previous month and year.

Hours and Earnings of Production Workers in South Dakota

	Number of Production Workers			Average Weekly Hours		
	Jan. 1991	Dec. 1990	Jan. 1990	Jan. 1991	Dec. 1990	Jan. 1990
Total Private	184,200	189,200	177,200	32.3	33.2	31.9
Mining	2,100	2,100	2,100	39.7	42.2	40.5
Construction	7,600	8,500	6,900	37.7	38.3	36.2
Manufacturing	24,600	25,400	24,900	39.8	41.0	40.8
Transportation & Public Utilities	11,300	11,600	11,000	43.9	39.3	38.9
Wholesale & Retail Trade	66,100	68,700	62,500	29.0	31.0	28.8
Finance, Insurance, & Real Estate	12,200	12,400	12,200	34.6	35.8	33.8
Services	60,300	60,500	57,600	29.2	29.7	29.0

	Average Weekly Earnings			Average Hourly Earnings		
	Jan. 1991	Dec. 1990	Jan. 1990	Jan. 1991	Dec. 1990	Jan. 1990
Total Private	$259.05	$266.60	$249.78	$8.02	$8.03	$7.83
Mining	520.86	539.32	514.35	13.12	12.78	12.70
Construction	395.85	401.77	373.58	10.50	10.49	10.32
Manufacturing	345.86	356.70	343.13	8.69	8.70	8.41
Transportation & Public Utilities	419.68	429.55	415.84	9.56	10.93	10.69
Wholesale & Retail Trade	194.88	203.05	185.47	6.72	6.55	6.44
Finance, Insurance, & Real Estate	300.33	302.15	282.91	8.68	8.44	8.37
Services	228.64	234.63	216.92	7.83	7.90	7.48

Hours and Earnings of Manufacturing Production Workers in MSAs

	Number of Manufacturing Production Workers			Average Weekly Hours		
	Jan. 1991	Dec. 1990	Jan. 1990	Jan. 1991	Dec. 1990	Jan. 1990
Sioux Falls MSA	6,100	6,100	6,200	43.4	44.1	42.3
Rapid City MSA	2,800	3,000	3,000	35.2	38.4	40.6

	Average Weekly Earnings			Average Hourly Earnings		
	Jan. 1991	Dec. 1990	Jan. 1990	Jan. 1991	Dec. 1990	Jan. 1990
Sioux Falls MSA	$395.37	$396.90	$361.24	$9.11	$9.00	$8.54
Rapid City MSA	321.02	357.89	390.17	9.12	9.32	9.61

SOURCE: Developed by the South Dakota Department of Labor, in cooperation with the United States Bureau of Labor Statistics.

NOTE: Average hours and earnings data are derived from reports of payrolls and hours for production and related workers in manufacturing and mining, construction workers in construction, and non-supervisory employees in private service-producing industries. The data cover full and part-time employees who worked during or received pay for the payroll period that includes the 12th of the month. The earnings figures are "gross" figures. They may be higher than employer wage rates, since they reflect premium pay for shift differentials and overtime work. The hours figures relate to the hours for which pay was received; this is different from scheduled or standard work hours.

Characteristics of the Insured Unemployed[1]

	Jan. 1991	Dec. 1990	Jan. 1990
Sex, Total	3,487	2,375	3,349
Male	2,547	1,615	2,377
Female	940	760	972
Race, Total	3,487	2,375	3,349
White	3,228	2,181	3,014
Nonwhite	259	194	335
Age, Total	3,487	2,375	3,349
Under 45	2,556	1,736	2,426
Over 45	931	639	923
[2]Industry, Total	3,487	2,375	3,349
Mining	162	77	123
Construction	1,239	696	928
Manufacturing	821	540	936
Transportation & Public Utilities	126	79	185
Trade	502	419	485
Finance, Insurance & Real Estate	47	49	55
Services	448	414	490
Government	142	101	147
[2]Occupation	3,487	2,375	3,349
Professional & Managerial	308	293	349
Clerical and Sales	348	332	351
Services	376	272	334
Processing	135	121	157
Machine Trade	138	89	123
Benchwork	305	157	388
Structural Work	1,375	746	1,107
Other	502	365	540
Duration of Current Unemployment			
Total	3,487	2,375	3,349
1-2 Weeks	740	560	650
3-4 Weeks	877	428	643
5-14 Weeks	1,370	950	1,469
15 Weeks & Over	500	437	587

[1]The insured unemployed are those persons who had worked for employers covered by South Dakota's Unemployment Insurance laws and who filed claims for unemployment insurance compensation during the week including the 12th of the month.

[2]Refers to industry and occupation involvement prior to unemployment.

Selected Labor Department Activities

	Jan. 1991	Dec. 1990	Jan. 1990	Percent Change From Last Month	Percent Change From Last Year
Unemployment Insurance					
A. Initial Claims	3,578	2,787	2,939	28.4	21.7
B. Weeks Compensated	18,300	9,149	18,118	100.0	1.0
C. Amount of Benefit Payments	$1,599,056	$821,678	$1,338,035	94.6	19.5
D. Unemployment Trust Fund Bal.	$47,002,537	$47,674,623	$43,481,349	-1.4	8.1
Job Service					
E. Applicants Available (New and Renewal)	6,888	5,329	6,161	29.3	11.8
F. Nonfarm Placements	2,828	3,575	2,733	-20.9	3.5
G. Nonfarm Job Openings	8,016	8,366	8,090	-4.2	-0.9

Selected Labor Department Activities (Continued)

	January 1991
H. Unemployment Insurance Savings	$100,074

The data above and in the table at the bottom of page 10 are taken from the records of the state unemployment insurance program and the state Job Service system.

A. Initial Claims - The total number of first claims for unemployment compensation.

B. Weeks Compensated - The total number of weeks for which claimants received compensation.

C. Amount of Benefit Payments - The total amount of money paid to claimants.

D. Unemployment Trust Fund Balance - The fund to which all required Unemployment Insurance taxes are paid and from which all benefits to claimants are paid.

E. Applicants Available (New and Renewals) - The total number of different individuals who registered or renewed their registrations for work at Job Service offices in the state.

F. Nonag Placements - A count of the number of times during the month that Job Service applicants were hired by nonfarm employers.

G. Nonag Job Openings - A count of new job openings received during the month by South Dakota Job Service offices from nonfarm employers.

H. Unemployment Insurance Savings - Estimated dollars saved due to placement of Unemployment Insurance claimants in jobs by Job Service.

Minimum Wage Increases

South Dakota's minimum wage increases to $4.25 an hour April 1, 1991.

The increase from $3.80 an hour was approved by the South Dakota Legislature last year as part of a two-step increase in the state's minimum wage that matched increases in the federal minimum wage.

"The state minimum wage law applies to all businesses in South Dakota," said Labor Secretary Peter de Hueck. "It covers all employees who have reached the age of 18, with the exception of babysitters and outside salesmen."

Beginning April 1, 1991, South Dakota employers can use a 50 percent credit against the hourly wages of employees who earn more than $35 a month in tips. "If an employer chooses to use the tip credit, South Dakota law requires a minimum cash wage for tipped employees of $2.13 per hour," de Hueck said.

If at anytime an employee does not, combining wages and tips, earn $4.25 per hour, the employer is required to make up the difference in the form of a wage. Because the tip credit requires extensive record keeping, de Hueck said some employers choose to pay the minimum wage instead of relying on the tip credit.

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Selected National Economic Indicators

	Jan. 1991	Dec. 1990	Jan. 1990	Percent Change From Last Month	Percent Change From Last Year
Consumer Price Index[1]	134.6	133.8	127.4	0.6	5.7
Industrial Production Index[2]	106.5	107.3	108.1	-0.7	-1.5
Retail Trade Sales[3]	$148,186	$149,547	$150,281	-0.9	-1.4
Privately Owned Housing Starts[4]	850	975	1,543	-12.8	-44.9
Bank Prime Loan Rate[5]	9.52	10.00	10.50	-4.80	-9.33

[1]U.S. Bureau of Labor Statistics. 1982-84 = 100.
[2]Federal Reserve Board. Includes manufacturing, mining and utilities. 1987 = 100. Seasonally adjusted.
[3]Bureau of the Census. Adjusted for seasonal, holiday and trading day differences. In millions of dollars.
[4]Bureau of the Census. Includes new, privately owned housing units started. Seasonally adjusted annual rates. In thousands of units.
[5]Federal Reserve Board. Annual rates.